

MEMORANDUM

TO: Norfolk City Council

CC TO: Norfolk General Assembly Delegation; Norfolk Constitutional Officers; City Manager, and Norfolk Senior Executive Team

FROM: Bryan Pennington, Director, Intergovernmental Relations Office

SUBJECT: 2016 General Assembly Activity Report # 2

DATE: January 29, 2016

Norfolk Priority Legislative Requests w/ Hyperlinks:

1. Reauthorize the Virginia General Assembly Joint Subcommittee to Formulate Recommendations to Address Recurrent Flooding. [HJ 84 \(Stolle\)-Reauthorize the Joint Virginia General Assembly Subcommittee to Formulate Recommendations for the Development of a Comprehensive and Coordinated Planning Effort to Address Recurrent Flooding](#). Update: Passed House Subcommittee on 1/28/16.
2. Authorize the Commonwealth to participate in the Regional Greenhouse Gas Initiative (RGGI) and create the Virginia Coastal Resiliency Fund. [HB 351 \(Villanueva\)-Create the Virginia Alternative Energy and Coastal Protection Act](#). Update: Assigned to a Special House Subcommittee on Energy.
3. Amend the Code of Virginia so that motor vehicle travel lanes that have been converted to bicycle travel lanes shall continue to be included in the “moving –lane-miles” calculation used by VDOT for determining urban street maintenance payments. [SB 669 \(Alexander\)-Highway Maintenance Payments for Bicycle Lanes](#); Update: Referred to Senate Transportation Committee. [HB 1335 \(Taylor\)-Highway Maintenance Payments for Bicycle Lanes](#). Update: Assigned to House Transportation Committee Subcommittee # 3 on 1/29.
4. Authorize the creation of local option incentive programs to encourage retailers’ reduction in the provision of single-use plastic shopping bags and encourage the use of reusable bags. [SB 720 \(Lewis\)-Local Option Environmental Cleanup Programs](#). Update: Assigned to Senate Local Government Committee.
5. Authorize the Virginia Maritime Resource Commission to issue local governments an expedited permit for emergency sand placement / replenishment under certain conditions when an emergency declaration has been made. [SB 307 \(Lewis\)-Expedited Permitting for Emergency Beach Restoration](#). Update: Passed full Senate 40Y-ON on 1/27. [HB 327 \(Bloxom\)-Expedited Permitting for Emergency Beach Restoration](#). Update: Passed full House 2nd time and Engrossed on 1/29.

6. Change the composition of the Commonwealth Transportation Board to include representation from the Hampton Roads Transportation Accountability Commission and Northern Virginia Transportation Authority. [SB 471 \(Wagner\)-Increase Regional Membership on the Commonwealth Transportation Board](#). Update: Referred to Senate Rules Committee on 1/12.

City of Norfolk and Virginia Urban Crescent Supported Public Education Commonwealth Requests for Appropriations:

1. *SOQ Re-benchmarking* - Provide full funding for the biennial Standards of Quality funding re-benchmarking as adopted by the State Board of Education. Every two years the State Board of Education reviews and updates the prevailing (statewide average based on the previous two years) costs of state recognized and required expenditures for public education. *\$190.4 million in FY 2017 and \$239.4 million in FY 2017 is included in the introduced budget to fully fund the cost of rebenchmarking.*
2. *SOQ Basic Aid Funding* – Restore Standards of Quality basic aid funding in all categories to FY 09 levels. Since 2009 the Commonwealth has reduced its share of funding for public education by approximately \$1 billion and state per pupil inflation adjusted funding for K-12 has decreased from \$4,275 per pupil in 2009 to \$3,655 per pupil in 2015. These funds are in addition to the SOQ re-benchmarking funding. *The City of Norfolk lobbying team has been deeply involved in the Urban Crescent Coalition K-12 funding efforts in partnership with the Virginia Municipal League, the Virginia Association of Counties. As a result of those efforts, budget amendments have been submitted for the following:*

<u>Item</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>House Patron</u>	<u>Senate Patron</u>
<i>Instructional Aides</i>	<i>\$156,000,000</i>	<i>\$156,000,000</i>	<i>Hester Norfolk</i>	<i>Vogel Fauquier</i>
<i>Assistant Principals</i>	<i>\$70,000,000</i>	<i>\$70,000,000</i>	<i>Carr Richmond</i>	<i>None</i>
<i>Linear Weighted Average (Zeros)</i>	<i>\$40,000,000</i>	<i>\$40,000,000</i>	<i>Plum Fairfax</i>	<i>Lucas Portsmouth</i>
<i>English Language Learners</i>	<i>\$10,000,000</i>	<i>\$10,000,000</i>	<i>None</i>	<i>Howell Fairfax</i>
<i>Capital Maintenance and Operation</i>	<i>\$50,000,000</i>	<i>\$50,000,000</i>	<i>None</i>	<i>Lucas Portsmouth</i>
<i>Education Study</i>	<i>Budget Language</i>	<i>Budget Language</i>	<i>None</i>	<i>Vogel Fauquier</i>

Instructional Aides:

- This budget amendment would change the Standards of Quality to establish a new prevailing cost standard for all teacher aides.
- Currently, the SOQ recognizes only certain kindergarten aides and special education aides, and as a result, the SOQ recognizes only about 2,600 positions out of the 19,000 that are employed by school divisions.
- Instructional aides provide an essential and economical service to improving classroom instruction by allowing for more individualized attention.
- Without this funding, it is likely that school divisions will have to reduce the number of aides, with a detrimental effect on student learning and SOL/SOA scores.

Assistant Principals:

- The Board of Education in 2003 adopted the standard that there should be one assistant principal per 400 students.
- As more administrative requirements on Virginia schools are promulgated, assistant principals are even more essential. Assistant principals are responsible for a range of activities including parental concerns, court appearances, disciplinary policies, school safety and coordination of school support services – transportation, food services, custodial services, and other items.
- There are currently over 2,500 assistant principals employed by Virginia school divisions with state SOQ funding provided for only about 950. The state needs to pay its fair share.

SOQ funding formula boost – Linear Weighted Average:

- Back during the recession, the state made a number of K-12 budget decisions that reduced state funding and moved further away from the idea that state appropriations should reflect the actual costs of operating a school division, as required by the Standards of Quality.
- These budget cuts were not tied to educational policy or administration reforms. Nor were there any reductions in state accountability standards. In fact, those standards have increased.
- Localities pay \$3.6 billion above the amounts required under the SOQ. Many localities simply do not have the tax base to pay their share and part of the State's as well.
- This amendment simply reverses an action that was based on revenue collections and not on sound educational policies. By accepting this amendment to recognize prevailing costs, the state will begin to reclaim its former role as the chief funder of public education.

Additional Budget Amendments of Interest:

1. *Community Wealth Building* – Provide \$10 million each year for a State Community Wealth Building Fund to incentivize localities to develop and begin implementing comprehensive plans aimed at reducing poverty and extending more and higher quality opportunities to residents of high-poverty communities. *Working with Virginia First Cities on this. Delegate Carr and Senator Lucas have submitted budget amendments for \$1.0 million in FY 2017 and \$10 million for FY 2018.*
2. *Affordable Housing Trust Fund* - Provide increased funding for the State Affordable Housing Trust Fund. – \$6.0 million increase in FY 2017 and \$6.0 million in FY 2018 included in the introduced budget.
3. *Mental health services* - Increase funding to address the statewide growing unmet need for mental health and substance abuse treatment services including:
 - Waiver slots and family support for the intellectually and developmentally disabled;
 - Medical Assisted Treatment (MAT), medical detoxification, psychiatric services and reintegration services for behavioral health;
 - Early intervention services for early childhood disabilities, and suicide prevention;
 - Recruitment and retention of Licensed Mental Health Professionals (LMHP) and license eligible staff and increased peer support.

\$14.2 million has been appropriated in GF in FY 2017 and \$31.8 million GF in FY 2018 and an equal amount of federal Medicaid matching funds is included in the introduced budget to add 855 new ID and DD waiver slots over the biennium.

The introduced budget also proposes language to add the following services through the existing Medicaid State Plan or through a demonstration waiver: inpatient detoxification and substance abuse treatment, residential detoxification and substance abuse treatment, and peer support services.

\$4.3 million GF the first year and \$5.3 million GF the second year is in the introduced budget to improve crisis programs to comply with requirements of the DOJ settlement agreement. This funding will support two eight-bed therapeutic homes, mobile crisis services, respite services for children, and regional crisis coordinators.

Budget language would require the DBHDA to develop a plan for a performance based contracting system for Community Services Boards. Such a system would include funding incentives and disincentives based on achievement of outcomes.

4. *Food deserts* – Provide continued funding for the Commonwealth Council on Bridging the Nutritional Divide to implement the recommendations of the Department of Agriculture and Consumer Services report on food deserts including establishing incentives for:
 - Production, distribution and procurement of foods from local farms;
 - Public-private partnerships to open and sustain full-service grocery stores in communities without access to healthy food (food deserts);
 - Encouraging food retailers to locate in and/or food and beverage choices in underserved areas.

\$5.0 million in both FY 2017 and FY 2018 included in the introduced budget to launch a program to create 10 retail food establishments in areas without supermarkets or other places where citizens can access fresh and nutritious foods.

\$0.25 million in both FY 2017 and FY 2018 and two positions to promote Virginia grown products and to establish a specialist position for the emerging organic grown products market.

5. Prisoner re-entry - Provide increased resources to support re-entry services for individuals scheduled for release from state prisons.

\$1.6 million GF and 19 positions each year is included in the introduced budget for pilot jail re-entry programs to assist state-responsible offenders housed in local or regional jails to improve their transition back to their communities. Another \$1.2 million each year is added to maintain the level of contracted community residential placement beds available, on a short-term basis, for offenders on community supervision who do not have a place to live.

6. Stormwater Funding:

- Item C-47 #12S (Hanger)/ Item C-47 #5h (Landes). This amendment would provide **\$50.0 million in bond proceeds in each year of the biennium for the Stormwater Local Assistance Fund.**
 - Supports dedicated and adequate state appropriations to the Stormwater Local Assistance Fund (SLAF) to address costs associated with the permit requirements of Municipal Separate Storm Sewer Systems (MS4) and new EPA regulations.
- Item 370 #1h (Lopez). **This amendment provides \$50 million each year to the SLAF.**
- Item 370 #2h (Lindsey). **This amendment provides \$50 million in the first year to the SLAF.**
- Item 370 #5S (Hanger). **This amendment expands the use of the SLAF to include acquisition of nonpoint nutrient credits.**
- Item 370 #3h (Wilt). **This amendment removes requirement that each locality with a stormwater service charge file a report with DEQ** as to the programs funded by these fees and the expected nutrient and sediment reductions for each of these program.

Transportation Funding:

Delegate Villanueva was going to introduce a gas floor bill that was less impactful than Senator Wagner's bill. It had the blessings of both the Speaker and Delegate Chris Jones with several co-patrons on the bill. However, at the last minute, the Speaker withdrew his support and the bill was not introduced. There are still gas floor bills in the Senate including Senator Frank Wagner's bill.

HB 757 (Bell) is effectively dead for this legislative session after consideration by House Counties, Cities, and Towns Subcommittee #2. This bill would have required that the public be able to speak for at least five minutes on all agenda items. This legislation, as proposed, would have applied to all local and regional boards, commissions, city councils, boards of supervisors, school boards, etc.

The first HRTAC bill, HB 274 (Yancey), from their legislative package unanimously passed the House Appropriations Committee. This bill clarifies the code to state that Hampton Roads Transportation Fund monies are to be sent immediately to HRTAC, allowing excess funds to be invested by HRTAC. This legislation provides clarification so as to allow HRTAC to administer funds in the same manner as Northern Virginia Transportation Authority (NVTA) funds.

- **Rail EIS for Richmond to Hampton Rds Rail** [Item 449 #1h](#) (Villanueva, Davis, Lindsay, Stolle, Ward, Spruill, Heretick, Bloxom); [Item 449 #4s](#) (Wagner, Alexander, Cosgrove, DeStaph, Locke) – this amendment allocates \$10 million in the first year and \$10 million in the second year from the Dept. of Rail and Public Transportation to the HRTPO to conduct the Richmond to Hampton Roads Tier II Passenger Rail Environmental Impact Study.
- **Increase passenger train frequencies to Norfolk & Roanoke** [Item 449 #5s](#) (Wagner, Alexander, Cosgrove, DeStaph, Locke) – this amendment calls for the Dept. of Rail and Public Transportation to complete projects currently underway to deliver train capacity improvements to serve Norfolk and Roanoke prior to any further investments in passenger rail capacity to serve markets in North Carolina.

Norfolk Legislation of Interest:

[HB 1253 \(Hester\)-Repeal of Obsolete Provisions for appointment of Norfolk School Board Members](#). Repeals obsolete provisions for the appointment of members to the school board of the City of Norfolk. The selection of members of such school board was changed to direct election by the voters by referendum in 2014

Redistricting:

[HB 555 \(Landes\)](#) and [SB 59 \(Vogel & Howell\)](#) appear to be the redistricting bills gaining the most momentum. The bills state criteria for the General Assembly to observe in future drawing of political districts, including the consideration of existing local government political boundaries, equal population, racial and ethnic fairness, contiguity, compactness, and communities of interest. HB 555 / SB 59 prohibits the use of political data or election results unless the use is necessary to determine if racial or ethnic minorities have a realistic opportunity to elect candidates of their choice.

- Voters should choose their legislators instead of legislators choosing their voters.
- Existing political boundaries should be respected to the greatest extent possible.
- Redistricting should be done objectively with boundaries drawn on the basis of legal, demographic and commonsense criteria that ignore the political interests of incumbents or political parties.
- The current redistricting process encourages legislators to focus on the far left or far right voters in their district – the ones who tend to vote in primaries – instead of the interests of the broader range of voters who participate in the general election.

Local Government Revenue:

[HB 223 \(Solle\)-Courthouse and Courtroom Security Fee](#): Increases from \$10 to \$20 the maximum amount a local governing body may assess against a convicted defendant as part of the costs in a criminal or traffic case in district court to fund courthouse and courtroom security.

[HB 1337 \(James\)-Review of Local Government Fiscal Stress and State Mandates](#). Provides that a task force appointed by the Governor to review state mandates imposed on localities and to recommend temporary suspension or permanent

repeal of such mandates, in making its recommendations, shall consider the measure for Fiscal Stress published by the Commission on Local Government of the Department of Housing and Community Development and the impact of such fiscal stress upon the ability of certain localities to meet state mandates.

Flooding:

[HB 739 \(Stolle\)-Establish a Virginia Flooding Adaption Office](#): Directs the Secretary of Public Safety and Homeland Security to establish the Virginia Flooding Adaptation Office and designate a Chief Resiliency Officer to oversee the operations of such office. The Chief Resiliency Officer, who shall hold no other position, shall serve as the primary coordinator of resilience and adaptation initiatives in Virginia and as the primary point of contact regarding issues related to resilience, sea-level rise, and flooding.

[HB 903 \(Stolle\)-Establish the Commonwealth Center for Recurrent Flooding Resiliency](#): Designates the Commonwealth Center for Recurrent Flooding Resiliency jointly at Old Dominion University, the Virginia Institute of Marine Science, and The College of William and Mary to (i) serve, advise, and support the Commonwealth by conducting interdisciplinary studies and investigations and (ii) provide training, technical and nontechnical services, and outreach in the area of recurrent flooding and resilience research to the Commonwealth and its political subdivisions. Companion Bill:

[HJ 84 \(Stolle\)-Reauthorize the Joint Virginia General Assembly Subcommittee to Formulate Recommendations for the Development of a Comprehensive and Coordinated Planning Effort to Address Recurrent Flooding](#): Continues the study of recurrent flooding for two additional years and renames the Joint Subcommittee as the joint subcommittee on coastal flooding to more accurately reflect its mission.

[SB 282 \(Lewis\)-Establishes the Virginia Shoreline Resiliency Fund](#): Establishes the Virginia Shoreline Resiliency Fund for the purpose of creating a low-interest loan program to help residents and businesses that are subject to recurrent flooding. Moneys from the Fund may be used to mitigate future flood damage.

[HB 477 \(Stolle\)-Authorize the Issuance of \\$29.3 Million in Bonds for Northern Virginia and Hampton Roads Veterans Care Centers](#): Authorizes the Virginia Public Building Authority to issue bonds in the amount of \$29.3 million plus financing costs to construct veterans care centers in Northern Virginia and Hampton Roads

Transportation:

[SB 477 \(Wagner\)-HRTF Fuel Tax Revenues and Gas Tax Floor](#). As you'll recall, HB 2313 was signed into law May 2013 to address Hampton Roads' unfunded transportation needs. As triggered by HB 2313, Hampton Roads Transportation Fund (HRTF) included revenue streams, to include an additional 0.7% sales tax increase as well as an additional 2.1% fuels tax added to the wholesale price of motor fuels sold in the region. While FY15 HRTF revenues were expected to generate \$200 million in revenues, actual revenues fell \$30 million short of legislative expectations due to the unexpected decline in gasoline costs. In order to protect revenues from declining fuel costs, a gas floor bill calculating taxes based on the wholesale fuel cost is being introduced, in efforts to prevent further shortfalls.

- Supportive of an amendment to Virginia Code § 58.1-2295 which would establish a protective floor price for the 2.1 percent regional gas taxes, much as was done for the statewide fuels tax in §58.1-2217.
- The requested floor for regional gas taxes is essential to provide a more stable, dedicated revenue source needed for long-term financing of regional projects.

[SB 470 \(Wagner\)-Increase Hampton Roads Motor Vehicle Fuels Sales Tax](#). Would increase the tax on the distributor sales price charged to a retail dealer from 2.1% to 5.1%. As of this week, despite having a regional gas tax, gas prices in

Hampton Roads (\$1.658) are lower than Richmond, Roanoke, and Charlottesville; additionally, price per gallon is lower than the state (\$1.715) and nation (\$1.882).

[HJ 77 \(James\)-Commonwealth Transportation Board Study on Strategies to Reduce or Eliminate Tolls on the Midtown-Downtown Tunnels.](#) Requests the Commonwealth Transportation Board to study the feasibility of reducing or eliminating tolls on the Midtown and Downtown Tunnels in Hampton Roads.

HB2 Update. On January 19, statewide transportation project scoring results were presented by Secretary Layne before the Commonwealth Transportation Board (CTB). HB 2 out of the 2013 General Assembly session facilitated development of a new transportation revenue allocation formula which required use of an outcome-based prioritization process. A total of 287 project applications were scored in the areas of congestion mitigation, safety, accessibility, economic development, environment, and support of efficient land use. Benefitting HRTPO, the I-64 widening project (\$145 million recommended funding) was one of five top-scoring projects. The I-64/I-264 Interchange Improvements project was amongst the top-rated projects for land use. In Norfolk specifically, I-64/Norhampton Blvd., U.S. 58 Corridor Safety, and traffic control upgrade projects were recommended funded projects. Next steps will include Spring public hearings on CTB-recommended scenarios and revised funding scenario prior to adoption of a Six-Year Program at the June CTB meeting.

Conclusion

Next Friday's General Assembly Activity Report will cover additional emerging legislative topics and provide updates on all of Norfolk's priority legislative requests and budget amendments. During Session, please do not hesitate to email me at bryan.pennington@norfolk.gov if I can help with answering any legislative questions.